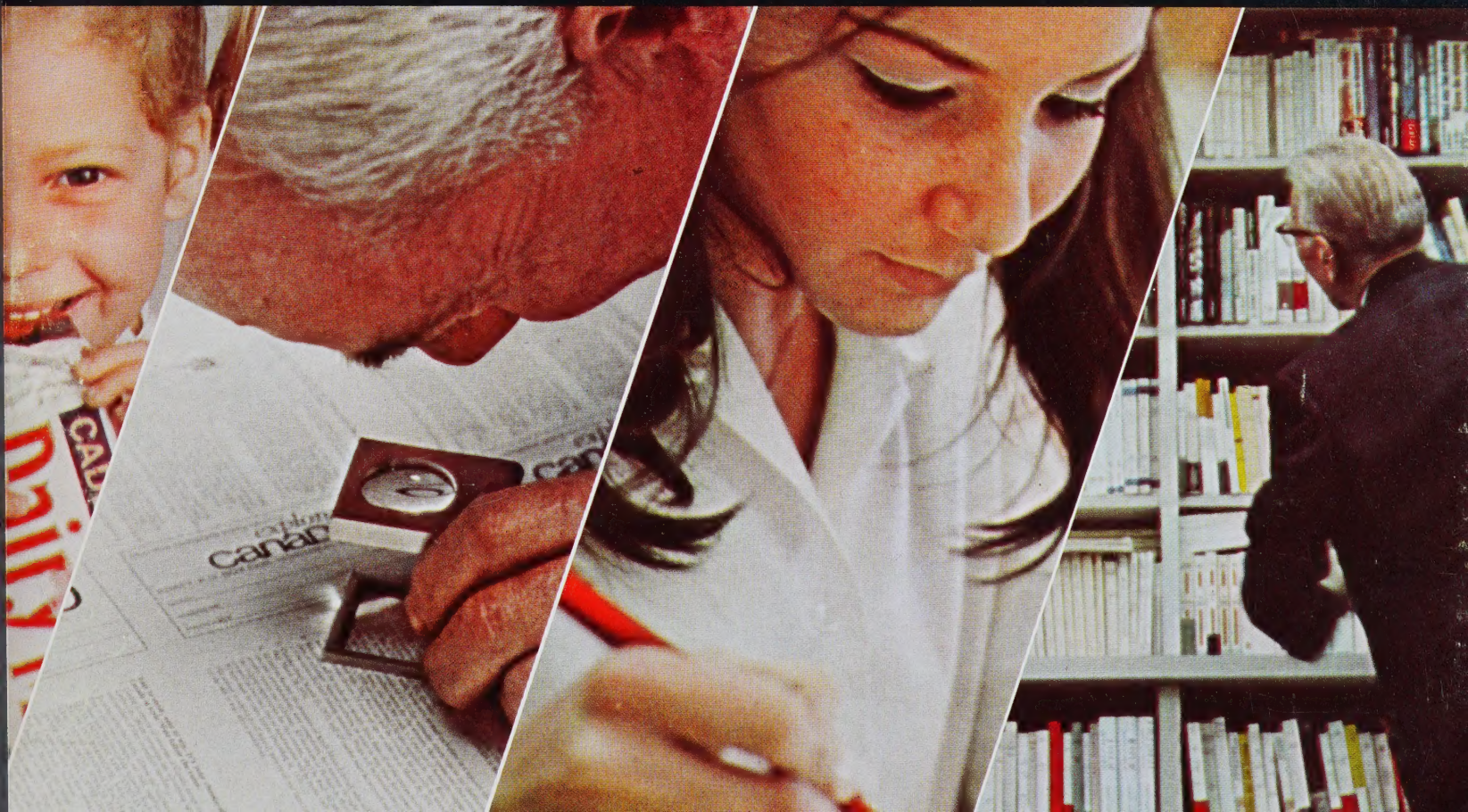


Rolland Paper
Company, Limited
1969
Annual Report

AR11

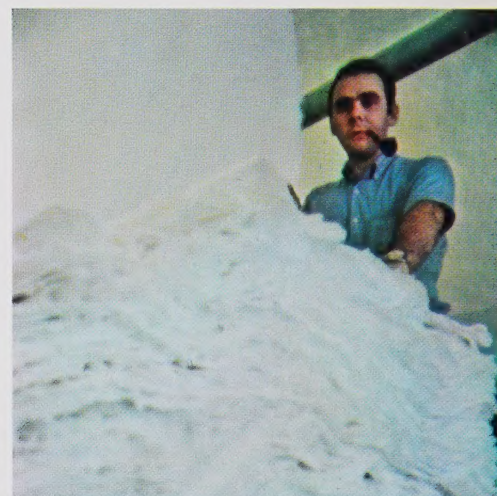


Rolland Papers, ingredients in the lives of thousands.



Pulp:

The basic element of the products we make.



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St. Jerome and Mont Rolland, Quebec		
and Scarborough, Ontario		

The Annual General Meeting of Shareholders will be held at the Head Office of the Company, 800 Victoria Square, Suite 3620, Montreal, Quebec, at 11:00 A.M., March 30, 1970.

Si vous préférez recevoir votre rapport annuel en français, prière d'aviser le Secrétaire, Compagnie de Papier Rolland, Limitée, 800, Place Victoria, Suite 3620, Montréal 115, Québec.

G. Drummond Birks, B.Comm.
Vice-President
Henry Birks & Sons Limited
Montreal

E. Jacques Courtois, Q.C.
Partner, Smith, Anglin, Laing,
Weldon & Courtois
Montreal

Roy H. Ecclestone
Retired Executive
Town of Kirkland

George M. Hobart
Chairman of the Board,
Consolidated-Bathurst Limited
Montreal

Richard A. Irwin
President and Chief Executive Officer
Consolidated-Bathurst Limited
Montreal

Herménégilde A. LeBlanc, C.A.
Secretary
Rolland Paper Company, Limited

* Gérard Plourde, M.Comm.
President
UAP Inc.
Montreal

* Albert Rolland
Vice-President and Marketing Consultant
Rolland Paper Company, Limited
Laval

* Lucien G. Rolland, B.A., B.A.Sc., C.E.
President and General Manager
Rolland Paper Company, Limited
Montreal

* Marc Rolland
Vice-President and Production Consultant
Rolland Paper Company, Limited
St-Jerome

Olivier Rolland
Retired Executive
Montreal

* Joseph A. Weldon, C.A., M.B.E.
Vice-President and Financial Consultant
Rolland Paper Company, Limited
Montreal

Lucien G. Rolland
President and General Manager

Joseph A. Weldon
Vice-President and Financial Consultant

Albert Rolland
Vice-President and Marketing Consultant

Marc Rolland
Vice-President and Production Consultant

André Asselin, Eng.
Vice-President—Administration

Jean-Louis Chollet, Eng.
Vice-President—Manufacturing

Hugh M. Craig, B.Sc., Ph.D.
Vice-President—Sales

Alphonse St-Jacques, C.A.
Vice-President and Treasurer

Herménégilde A. LeBlanc, C.A.
Secretary

TRANSFER AGENTS

Montreal Trust Company
Royal Trust Company

REGISTRARS

Canadian Trust Company
Bankers Trust Company

SHARES LISTING

Montreal Stock Exchange
Toronto Stock Exchange

AUDITORS

Touche, Ross & Co.

	1969	1968
Sales in tons	93,575	90,877
Net sales	\$35,647,256	\$34,903,154
Net Earnings	1,536,074	1,406,369
Per class "A" share	.82	.74
Per class "B" share	.77	.69
Cash Dividends	712,009	712,009
Per class "A" share	.40	.40
Per class "B" share	.35	.35
Cash Flow	2,665,881	2,486,965
Per class "A" share	1.43	1.33
Per class "B" share	1.38	1.28
Book Value per class "A" and "B" shares	9.40	8.99
Working Capital	9,901,323	9,734,780
Long-term Debt	8,751,000	9,255,500
Capital Expenditures	841,311	1,261,104

Lucien G. Rolland, President and General Manager



1969 was a difficult year for the Fine Paper Industry. Nevertheless, your Company succeeded in maintaining its earnings at a level slightly higher than that of 1968. Under normal circumstances, such a performance would be disappointing. However, in view of the overall instability of the fine paper market during the year, your Directors are reasonably satisfied with the results.

In 1967, following the conclusions of the Kennedy Round, the Fine Paper Industry had planned to solve profitably, in the five years at its disposal, the numerous problems brought about by the progressive tariff reductions. The second stage of the 44% reduction was to be in 1969. Instead of the expected two percentage points decrease, however, the Federal Government surprised the Industry by implementing the full reduction, in the June budget. There was no compensating advance adjustment made in the tariffs of other nations.

This sudden reduction in tariffs profoundly disturbed the fine paper market. Many foreign products, especially those of American origin, were suddenly available at costs lower than those available from Canadian manufacturers. While distributors and consumers re-assessed their traditional market patterns, manufacturers had to modify their volume and grade structure. Prices were reduced by as much as 6% in certain cases. Furthermore, this move occurred at a time when increased Canadian postal rates were forcing an important reduction in advertising and promotional expenses. The demand for fine paper slackened. Our operations were reduced to five days. The unused capacity affected the absorption of overhead expenses, thus increasing the unit cost of production. At year-end however, we resumed seven day operations.

Ottawa's decision created a more serious long-term problem by depriving manufacturers of a vital three year lead time which would have permitted them to specialize and achieve a substantially greater efficiency of operations. Your Company found itself in the difficult position of having to reduce costs to offset the loss in revenue while accelerating its investment programme to achieve the productivity required to compete internationally.

The year was difficult in other respects. The world pulp demand expanded to a point where it was in balance with capacity and prices were raised by 8%. More efficient use of raw materials lessened the impact on our cost. An additional 9% increase, however, was announced effective January 1, 1970. This, and any further pulp price increases would be proportionately reflected in our production costs.

To meet these hurdles, Rolland re-allocated its marketing efforts and concentrated on the development of technology which would profitably improve its traditional methods of operations. In the course of a long-term re-assessment of the organization, a cost reduction programme was launched to decrease fixed operation costs. Finally, in an effort to start diversifying its earnings basis, the Company purchased a fine paper merchant, Fine Papers Limited. The acquisition of this Toronto Company provides an opportunity to penetrate the distribution sector.

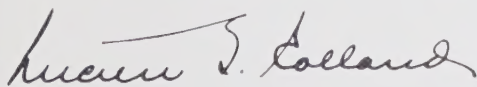
Above all, however, we owe our relatively satisfying performance to a better organized company. At our last annual meeting, it was stated "that corporations should not fear change but rather initiate it. They should not be afraid to question themselves. Their knowledge and their talents can only be channelled through strong, flexible competitive structures and their initiative through new undertakings and new ventures". The pursuit of this philosophy had caused us, in 1968, to restructure along more functional lines of responsibilities. In 1969, we extended this process to all company echelons in the belief that a more segmented approach to our various areas of activities would generate a more concentrated effort, better information and better results. This approach contributed to maintain our earnings and should permit us to face the problems and the changes of the years ahead.

The decade started with a stable industry, essentially oriented towards a multi-purpose, low volume and profitable domestic market. It ends with a more specialized and highly competitive market which is reshaping itself on a total North-American concept. Inflation is relentlessly biting into the economy and the Government is pursuing more vigorous anti-inflationary policies which may affect the growth of fine paper consumption and reduce profits.

Our ability to make the transition is dependent on a better industry relationship with the Federal Government, on the pulp manufacturers' success in supplying the demand without further increasing prices, and on labour's understanding of the need for better productivity. Union leaders must commit themselves to help us obtain this in the shortest possible time. At first, it may entail temporary lay-offs. In the long-term, however, the resulting lower production costs will signal more competitiveness, better sales potential, increased production and greater employment opportunities.

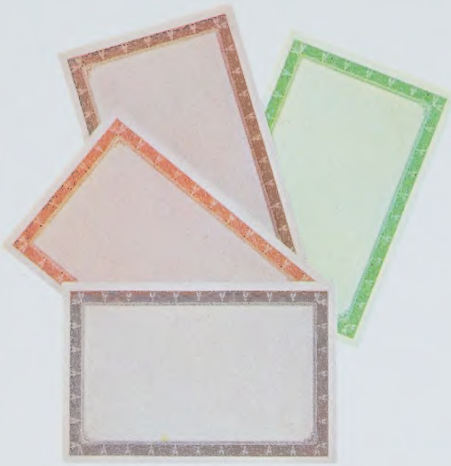
It is our feeling that Rolland's performance in 1969 indicates its ability to improve profitably its position in the Fine Paper Industry.

To all members of the Rolland organization, the Directors wish to express their thanks and appreciation. The continued support of shareholders, customers and suppliers is also gratefully acknowledged.

A handwritten signature in dark ink, reading "Lucien G. Rolland". The signature is fluid and cursive, with the first name "Lucien" and last name "Rolland" clearly distinguishable.

Lucien G. Rolland,
President and General Manager

Montreal, January 29, 1970



Financial Circles:

Rolland papers, part of the day's agenda at the stock exchanges. Heavy, engraved certificates in the hands of stockholders or brokers, note pads under the pencil of the traders, or thin smooth cards spinning through the teeth of the computer, Rolland papers are a daily ingredient of the financial world.



Earnings and Dividends

Consolidated net earnings of \$1,536,074 for the year 1969 show an improvement over earnings of \$1,406,369 last year. They represent 82¢ per "A" share and 77¢ per "B" share compared to 74¢ and 69¢ respectively last year.

Net sales increased slightly to \$35,647,256 from \$34,903,154 in the previous year.

Gross profit was unfavourably affected by newly introduced lower price grades, increased shipments to the less profitable export market, higher freight and labour costs and increased international competition.

Quarterly dividends of 10 cents per class "A" share and 8¼ cents per class "B" share were declared bringing the total distribution to 40 cents per class "A" share and 35 cents per class "B" share. Total common and preferred dividend disbursements amounted to \$772,444.

Financial Position

New investments for the last year amounted to \$1.5 million. These include \$840,881 to modernize plants & equipment, and \$646,895 to acquire a Toronto fine paper distributor, Fine Papers Limited. The excess of the consideration for the acquisition of the shares of Fine Papers Limited over their book value has been treated as an asset, and the bank indebtedness of this new subsidiary now appears on our consolidated balance sheet.

An amount of \$464,588 was disbursed to retire and redeem \$504,500 of our long-term debt. \$300,000 was applied against the 5½% serial debentures while \$125,000 was applied against the 5¼% Sinking Fund debentures. The remaining \$79,500 was used to redeem the 4¼% Sinking Fund bonds. The requirements of the Sinking Fund of this issue are now satisfied until January 2, 1971.

Consolidated working capital at December 31, 1969 amounted to \$9,901,323 and it is considered satisfactory for current operations. The current ratio was 3.5 to 1, slightly lower than a year ago. Inventories of \$5,659,168 are higher than last year following the increase in capacity due to continuous operations during the fourth quarter and lower sales than expected. Surplus funds were invested during the year in short-term investments at current favourable interest rates.

Total assets before depreciation were \$51.7 million at December 31, 1969. The rate of return on these assets was 3.0% compared with 2.9% in the previous year.

Education:

Rolland papers, part of the day's agenda in thousands of classrooms. Registration forms, lecture notes, homework, test papers, text books, bulletins and reports, scribbled messages, and even the diplomas, Rolland papers are an ingredient of the education environment



Marketing

The Canadian fine paper market was under heavy pressure throughout 1969. The unexpected full implementation of tariffs in June provided distributors with greater import opportunities. High interest rates and postal rate increases brought a reduction in advertising expenditures and in the demand for our products. Finally, Canadian manufacturers, operating with over-capacity, competed heavily with each other to keep their mills operating at the highest level possible.

In reaction to this increased competition and slower domestic growth, your Company specialized and introduced new grades.

The market's reaction to the introduction of lower quality grades, aimed at counteracting the flow of imports, was positive and the new grades well accepted. However, our product mix was downgraded and our profitability affected.

The specialization studies allowed us to eliminate many grades and to reduce the number of shades. The colours of such groups as our office papers were made uniform. Slow moving stock items were eliminated.

The uncertainty of the Canadian price structure as a result of greater import possibilities prevented the industry from increasing prices, with the exception of a few selective areas where small increases were implemented.

Two recent decisions should provide us with better marketing opportunities in the coming years. The purchasing of a fine paper merchant in Toronto and the opening of a Sales office in New York.

In the context of a corporate effort to review and consolidate its structures, the Eastern Sales Division was re-organized and Mr. W.S. Brown appointed Divisional Manager.

Mr. Robert F. Rodger, Assistant Vice-President, Advertising retired after 42 years with the Company. We wish to thank him for his long association and contribution to our organization.

Production

Continuous operations were started at the Mont Rolland and St. Jerome plants as of January 1, 1969. However, the limited amount of business forced us to operate the St. Jerome plant on a five-day week only during the period of May to September.

A cost reduction program aimed at reducing overhead expenses and increasing efficiency was put into effect. The results obtained so far include the introduction of manufacturing techniques making use of cheaper and more effective raw materials; better productivity control; the re-organization of several departments; a staff training plan; and a reduction in fixed operational costs.

In addition, certain projects have or will be completed in the near future; such as systems for improved stock preparation; automatic starch conversion and for recovery of fibres.

The Scarborough paper coating plant is following a program aimed at diversifying its production through the addition of special products other than printing papers.

Printing:

Rolland papers, part of the day's agenda in the largest and the smallest printing shops. Rules and regulations, statistical data, direct mail advertising, government information, tax forms, all are printed on one or another stock in the wide variety of Rolland papers.



Research and Technical Services

The Research and Development program continues at a steady pace.

With a view to expanding our Coated Paper operations, the research team is studying new pigmentation and coating techniques with the support of the National Research Council.

In other fields, emphasis is being placed on the reduction of raw material costs and more effective manufacturing techniques. Within this program we have successfully established a computer control for our largest paper machine. A similar system will be in operation on paper machine No. 7 at the beginning of 1970.

Considerable progress achieved in the control of water pollution will enable us to meet the standards set by the Water Control Board for our two Quebec plants.

Several new products have been developed in our laboratories or have been put into production. These products should enable us to diversify operations in more profitable fields.

The Technical Services Department has been re-organized in order to consolidate research and technical activities and co-ordinate the work of our research staff.

Personnel

A managerial training program was set up in the St. Jerome and Mont Rolland plants. Courses were given in 1969 and others especially designed for our organization will be added within the next year.

Similarly, a number of courses aimed at providing our paper machine operators with better training were given in 1969. This program should guarantee better productivity.

In accordance with the collective agreement, production and maintenance employees enjoyed an hourly increase of 15 cents effective June 1, 1969. Office workers also benefited from a weekly salary increase of \$6.00.

The accident prevention program launched in 1968 is continuing and results are encouraging. For example, at the Mont Rolland plant, work days lost have been reduced by 79 per cent in 1968 and 1969.

After a long period of negotiation and conciliation, a collective agreement was signed with employees of the Scarborough plant on May 9, 1969. The terms provided for salary increases of 6 and 5 per cent effective November 21, 1968, and November 21, 1969. This agreement is in force for two years and renewable on November 21, 1970.

Corporate Changes

Mr. André Déom, Vice-President, Personnel left the employ of the Company on November 1, 1969.

On January 1, 1970 Mr. André Asselin, previously Vice-President Manufacturing was appointed Vice-President Administration. He is succeeded by Mr. Jean Chollet previously Vice-President Research & Technical Services.

In Everyday Life:

Rolland papers, in the hands of the housewife and the child, the clerk and the secretary, the reader, the copymaker and the photographer, the student and the gourmet. In every walk of life every day.



similar. The editor, the
the. Holland papers are part of the day's agenda.



Rolland Paper Company, Limited
Statement of Consolidated Income and Expense

16

	Year ended December 31	
	1969	1968
Net sales	\$35,647,256	\$34,903,154
Cost of sales	<u>29,381,403</u>	<u>28,794,979</u>
Gross profit	<u>6,265,853</u>	<u>6,108,175</u>
Selling and administrative expenses—Note 7	<u>2,231,890</u>	<u>2,298,479</u>
Depreciation	<u>1,206,907</u>	<u>1,216,595</u>
Bond interest	<u>520,189</u>	<u>544,214</u>
	<u>3,958,986</u>	<u>4,059,288</u>
	<u>2,306,867</u>	<u>2,048,887</u>
Interest and other income	<u>508,038</u>	<u>428,241</u>
Earnings from operations before income taxes	<u>2,814,905</u>	<u>2,477,128</u>
Income taxes	<u>1,443,743</u>	<u>1,238,949</u>
Net earnings from operations	<u>1,371,162</u>	<u>1,238,179</u>
Add:		
Dividend income	<u>125,000</u>	<u>125,000</u>
Excess of par value over purchase price of bonds redeemed	<u>39,912</u>	<u>43,190</u>
Net earnings for the year	<u><u>\$ 1,536,074</u></u>	<u><u>\$ 1,406,369</u></u>

Rolland Paper Company, Limited
Statement of Consolidated Source and Application of Funds

17

	Year ended December 31	
	1969	1968
Source of funds		
Cash flow from operations		
Net earnings	\$1,536,074	\$1,406,369
Depreciation	1,206,907	1,216,596
Deferred income taxes	(77,100)	(136,000)
	<u>2,665,881</u>	<u>2,486,965</u>
Decrease of special refundable tax	—	88,662
	<u>\$2,665,881</u>	<u>\$2,575,627</u>
Application of funds		
Capital expenditures—net	\$ 840,881	\$1,256,481
Long-term debt reduction	504,500	492,500
Dividends	772,444	772,444
Investment in Fine Papers Limited		
net of working capital acquired	<u>381,513</u>	<u>—</u>
	<u>2,499,338</u>	<u>2,521,425</u>
Increase in working capital	<u>166,543</u>	<u>54,202</u>
	<u>\$2,665,881</u>	<u>\$2,575,627</u>
Working capital	<u>\$9,901,323</u>	<u>\$9,734,780</u>

Rolland Paper Company, Limited
Consolidated Balance Sheet

18

Assets

	at December 31	
	1969	1968
Current		
Cash	\$ 563,587	\$ 401,398
Short-term investments at cost (market value \$3,665,414)	3,665,414	4,298,911
Accounts receivable	3,868,733	3,224,944
Income taxes recoverable	—	159,949
Inventories—Note 2	5,659,168	4,557,802
Prepaid expenses	170,726	100,354
	<u>13,927,628</u>	<u>12,743,358</u>
Investment		
Consolidated-Bathurst Limited, common shares at cost (market value \$2,906,250)	5,862,651	5,862,651
Fixed		
Property, plant and equipment—Note 3	15,934,251	16,176,079
Excess of consideration for acquisition of shares of a subsidiary over their book value	257,315	—
	<u>\$35,981,845</u>	<u>\$34,782,088</u>

On behalf of the Board:
 Lucien G. Rolland, Director
 J. A. Weldon, Director

Liabilities

	at December 31	
	1969	1968
Current		
Bank indebtedness	\$ 179,567	\$ —
Accounts payable and accruals	3,414,762	2,708,578
Income taxes payable	131,976	—
Long-term debt instalment due within one year	300,000	300,000
	<u>4,026,305</u>	<u>3,008,578</u>
Long-term debt —Note 4	8,751,000	9,255,500
Deferred income taxes	4,426,044	4,503,144

Shareholders' equity**Capital—Note 5**

Authorized

24,800 Preferred shares of \$100 each issuable
in one or more series

2,400,000 Class "A" and 800,000 Class "B" shares
without nominal or par value

Issued

14,220 4¼% Cumulative
redeemable preferred
shares \$1,422,000

1,360,016 Class "A" and 480,008
Class "B" shares 7,162,683

8,584,683

Retained earnings—**For use in the business**

Note 6 10,193,813 18,778,496 18,014,866

\$35,981,845 \$34,782,088

Rolland Paper Company, Limited
Statement of Consolidated Retained Earnings

20

	Year ended December 31	
	1969	1968
Retained earnings at beginning of year	\$ 9,430,183	\$ 8,796,258
Add:		
Net earnings for the year	<u>1,536,074</u>	<u>1,406,369</u>
	10,966,257	10,202,627
Deduct:		
Dividends		
Preferred shares	60,435	60,435
Class "A" shares	544,006	544,006
Class "B" shares	<u>168,003</u>	<u>168,003</u>
	772,444	772,444
Retained earnings at end of year	<u>\$10,193,813</u>	<u>\$ 9,430,183</u>

Note 1—Principles of consolidation

The consolidated financial statements include the accounts of Rolland Paper Company, Limited and its wholly owned subsidiaries, Canada Glazed Papers Limited and Fine Papers Limited. As the latter company was only acquired as of December 12, 1969, no part of its operating results since the date of acquisition are reflected in these consolidated financial statements.

Note 2—Inventories, at the lower of cost and net realizable value

	1969	1968
Finished paper and paper in process	\$ 4,109,280	\$ 2,730,919
Raw materials, wires, felts and supplies	1,163,620	1,462,244
Repair parts and maintenance materials	386,268	364,639
	<u>\$ 5,659,168</u>	<u>\$ 4,557,802</u>

Note 3—Property, plant and equipment

	Cost	Accumulated Depreciation	Net 1969	Net 1968
Machinery and equipment	\$24,556,776	\$12,946,327	\$11,610,449	\$11,845,446
Buildings	6,300,357	2,656,459	3,643,898	3,725,104
Leasehold improvements	221,994	94,722	127,272	142,121
Water power	300,000	—	300,000	300,000
Land	252,632	—	252,632	163,408
	<u>\$31,631,759</u>	<u>\$15,697,508</u>	<u>\$15,934,251</u>	<u>\$16,176,079</u>

Depreciation is provided using the straight-line method at rates designed to amortize the acquisition cost of the assets over their estimated useful lives.

Note 4—Long-term debt

		1969	1968
First Mortgage Bonds 4½% Sinking Fund			
Bonds due January 2, 1975	\$4,000,000		
Deduct			
Bonds redeemed and cancelled, including \$647,000 in anticipation of future Sinking Fund Requirements of which \$201,500 is applicable to the balance due January 2, 1975	<u>2,747,000</u>	\$1,253,000	\$1,332,500
Sinking Fund Requirements			
\$300,000 per annum January 2, 1970-1974			
Balance of \$400,000 due January 2, 1975			
Debentures—Series "A"			
5½% Serial Debentures, due \$300,000 per annum July 2, 1970-1971	600,000		
Deduct			
Instalment due within one year included in current year liabilities	<u>300,000</u>	300,000	600,000
5¾% Sinking Fund Debentures, due July 2, 1984	7,500,000		
Deduct			
Debentures redeemed and cancelled in anticipation of future Sinking Fund Requirements	<u>302,000</u>	7,198,000	7,323,000
Sinking Fund Requirements			
\$300,000 per annum July 2, 1972-1979			
\$500,000 per annum July 2, 1980-1983			
Balance of \$3,100,000 due July 2, 1984			
		<u>\$8,751,000</u>	<u>\$9,255,500</u>

The declaration of dividends and the redemption of preferred shares are restricted if such declaration or redemption result in a reduction of the working capital to an amount less than \$2,000,000.

Note 5—Capital

The preferred shares of the 4¼% series are redeemable at \$104 per share and are non-voting unless four quarterly dividends are in arrears. Class “A” shares are non-voting unless the company shall fail, for a period of two consecutive years, to pay any dividend on such shares.

Class “A” shares are entitled to a non-cumulative dividend at the rate of 10 cents per share per annum before payment of any dividend on Class “B” shares. If in any fiscal year dividends at the rate of 5 cents per share per annum are paid on Class “B” shares, any further distribution in respect of that fiscal year shall be made equally, share for share, upon all outstanding Class “A” and Class “B” shares.

Note 6—Retained earnings

An amount of \$258,000 of retained earnings is restricted under Section 61 of the Canada Corporations Act as a result of the redemption of 2,580 preferred shares in past years.

Note 7—Directors’ remuneration

Administrative expenses include remuneration of \$147,900 (1968—\$148,718) paid to directors as directors or officers.

Rolland Team:

Numerous and varied talents are put to work in producing the finest papers. Thanks to the efficiency and dedication of our personnel, Rolland papers are noted for quality all over the world.



The Shareholders,
Rolland Paper Company, Limited.
Montreal, Que.

We have examined the consolidated balance sheet of Rolland Paper Company, Limited and its subsidiaries as at December 31, 1969 and the consolidated statements of income and expense, retained earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at December 31, 1969 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

TOUCHE, ROSS AND CO.
Chartered Accountants.

Touche Ross & Co.

Montreal, Que.
January 26, 1970.

		1969	1968
Tonnage	Sales in tons	93,575	90,877
Sales and earnings	Net sales	\$35,647,256	\$34,903,154
	Dividend income	125,000	125,000
	Depreciation	1,206,907	1,216,595
	Bond interest	520,189	544,214
	Earnings before income taxes	2,979,817	2,645,318
	Income taxes	1,443,743	1,238,949
	Net earnings	1,536,074	1,406,369
	Cash flow	2,665,881	2,486,965
	Percentage of net earnings to net sales	4.3%	4.0%
	Percentage of net earnings to total assets	3.0%	2.9%
Distribution of earnings	Dividend on preferred shares	\$ 60,435	\$ 60,435
	Dividend on class "A" and "B" shares	712,009	712,009
	Retained in the business	763,630	633,925
Per share *	Net earnings per class "A" share	\$.82	\$.74
	Dividend per class "A" share	.40	.40
	Cash flow per class "A" share	1.43	1.33
	Book value per class "A" and "B" shares	9.40	8.99
Financial	Assets:		
	Working capital	\$ 9,901,323	\$ 9,734,780
	Investment in securities	5,862,651	5,862,651
	Fixed assets, net	15,934,251	16,176,079
	Other assets	257,315	—
	Total working capital and other assets	31,955,540	31,773,510
	Financed by:		
	Long-term debt	8,751,000	9,255,500
	Deferred income taxes	4,426,044	4,503,144
	Preferred shares	1,422,000	1,422,000
	Class "A" and "B" shareholders equity	17,356,496	16,592,866
		31,955,540	31,773,510
	Ratio of current assets to current liabilities	3.5:1	4.2:1
	Capital expenditures	\$ 841,311	\$ 1,261,104
Other statistics	Number of shareholders	2,330	2,330
	Number of employees	1,286	1,325

NOTE:

Results of Canada Glazed Papers Limited are included from February 24, 1964.

1967	1966	1965	1964	1963	1962	1961	1960
83,972	77,107	73,701	69,120	57,603	57,071	54,195	50,978
\$32,880,771	\$29,935,187	\$28,290,544	\$26,032,008	\$20,633,530	\$20,455,394	\$19,379,905	\$18,137,985
250,000	262,500	184,375	—	—	—	—	—
1,148,587	1,072,238	817,640	698,358	559,077	534,970	558,821	521,133
569,739	597,001	638,021	372,386	144,654	153,985	160,752	186,990
3,612,328	2,994,320	3,297,750	2,759,939	2,586,179	2,468,021	2,235,482	1,875,855
1,723,463	1,265,915	1,531,424	1,420,628	1,310,063	1,263,796	1,125,503	930,777
1,888,865	1,728,405	1,766,326	1,339,311	1,276,116	1,204,225	1,109,979	945,078
3,061,031	3,993,637	4,115,390	2,397,169	1,948,293	1,915,595	1,763,000	1,580,311
5.7%	5.8%	6.2%	5.1%	6.2%	5.9%	5.7%	5.2%
3.8%	3.7%	4.0%	3.7%	5.2%	5.2%	5.0%	4.5%
\$ 61,513	\$ 64,993	\$ 71,400	\$ 71,400	\$ 71,400	\$ 71,400	\$ 71,400	\$ 71,825
712,009	712,009	490,507	408,007	408,007	336,006	327,005	201,003
1,115,343	951,403	1,204,419	859,904	796,709	796,819	711,574	672,250
\$ 1.01	\$.92	\$ 1.00	\$.90	\$.85	\$.80	\$.74	\$.62
.40	.40	.30	.30	.30	.25	.24	.16
1.64	2.15	2.36	1.63	1.32	1.30	1.19	1.06
8.64	8.03	8.02	4.69	5.06	4.50	3.94	3.44
\$ 9,680,578	\$ 9,522,411	\$ 8,408,378	\$ 5,542,112	\$ 5,066,795	\$ 4,461,880	\$ 4,041,781	\$ 4,235,715
5,862,651	5,862,651	5,862,651	—	—	—	—	—
16,136,194	15,651,253	15,500,429	11,211,744	8,128,535	8,097,641	7,725,021	7,298,313
88,662	118,848	490,308	5,153,000	—	—	—	—
<u>31,768,085</u>	<u>31,155,163</u>	<u>30,261,766</u>	<u>21,906,856</u>	<u>13,195,330</u>	<u>12,559,521</u>	<u>11,766,802</u>	<u>11,534,028</u>
9,748,000	10,217,000	11,267,000	11,879,500	3,077,000	3,351,000	3,531,500	4,104,500
4,639,144	4,615,565	3,422,571	1,522,231	1,117,600	1,004,500	828,100	733,900
1,422,000	1,479,000	1,680,000	1,680,000	1,680,000	1,680,000	1,680,000	1,680,000
15,958,941	14,843,598	13,892,195	6,825,125	7,320,730	6,524,021	5,727,202	5,015,628
<u>31,768,085</u>	<u>31,155,163</u>	<u>30,261,766</u>	<u>21,906,856</u>	<u>13,195,330</u>	<u>12,559,521</u>	<u>11,766,802</u>	<u>11,534,028</u>
2.9:1	3.7:1	3.6:1	2.3:1	2.9:1	2.7:1	2.5:1	2.8:1
\$ 1,639,203	\$ 1,215,420	\$ 5,154,185	\$ 3,011,934	\$ 591,885	\$ 907,746	\$ 1,011,293	\$ 495,478
2,343	2,491	2,518	2,331	1,889	1,839	1,633	1,021
1,308	1,260	1,163	1,121	877	905	872	875

Net earnings, dividend and cash flow per class "B" share are 5 cents less than per class "A" share.

*1965 per share calculated on average number of shares for the year.

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